

# Primary Care Commissioning Committee

|                 |           |              |                   |
|-----------------|-----------|--------------|-------------------|
| Date of meeting |           | 27 June 2019 |                   |
| Agenda item     | <b>10</b> | Paper No     | <b>PCCC19/046</b> |

## Primary Care Finance Report – Month 2

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|---|--|
| <b>Key issues</b>   | <p>The budget for Delegated Primary Care for 2019-20 is £72,990k.</p> <p>Across all funding streams Primary Care is, at 31/05/2019, overspent by £17k.</p> <p>The Forecast outturn is an underspend of £657k.</p> <p>The forecast excluding the Primary Care Delegated 1% surplus is an overspend of £73k.</p> |
| <b>Strategic objectives / perspectives</b>  | <p>Alignment with strategic objective 1.9:<br/>We will promote a sustainable model for primary care with improved access and choice with an increased focus on people with complex and multiple conditions through the provision of integrated care</p>  |
| <b>Actions requested / recommendation</b>   | <b>The Primary Care Commissioning Committee is asked to note the Month 2 finance report 2019-20.</b>   |
| <b>Principal risk(s) relating to this paper</b>   | None   |
| <b>Other committees / groups where evidence supporting this paper has been considered</b> | Primary Care Steering Group  |
| <b>Financial and resource implications / impact</b>                                       | The financial and resource implications arising from this paper are delegation of limited financial resource.  |
| <b>Legal implications / impact</b>  | There are no legal implications arising from this paper.   |
| <b>Data protection impact assessment required?</b>  | No   |

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| <b>Public / stakeholder involvement – activity taken or planned</b> | Not applicable.   |
| <b>Equality and diversity – implications / impact</b>               | This paper does not request decisions which impact on equality and diversity. |
| <b>Report author</b>  | Louise Marshall, Associate Director of Financial Planning                     |
| <b>Sponsoring director</b>  | Mike Fulford, Chief Financial Officer   |
| <b>Date of paper</b>  | 20 June 2019  |

# West Hampshire CCG

Primary Care Financial Performance  
Month 2 19/20



## 2 Primary Care Financial Performance Month 2 19/20

Across all funding streams Primary Care is, at 31/05/2019, overspent by £17k. The position excluding the Primary Care Delegated 1% surplus is an overspend of £138k. The forecast outturn is an underspend of £657k.

| Primary Care Area                                     | Annual Budget<br>£,000's | YTD Budget<br>£,000's | YTD<br>Expenditure<br>£,000's | YTD Variance<br>£,000's | Forecast Out<br>Turn £,000's | Forecast Out<br>Turn Variance<br>£,000's |
|---|--------------------------|-----------------------|-------------------------------|-------------------------|------------------------------|--|
| <b>Recurrent Business</b>                             |                          |                       |                               |                         |                              |  |
| Delegated Primary Care                                | 72,260                   | 11,626                | 11,615                        | 12                      | 72,333                       | (73)                                     |
| Locally Commissioned Services                         | 2,571                    | 428                   | 421                           | 8                       | 2,571                        | 0  |
| Out of Hours  | 3,345                    | 557                   | 682                           | (125)                   | 3,345                        | 0  |
| Transformation Fund                                   | 1,751                    | 292                   | 348                           | (56)                    | 1,751                        | 0  |
| Primary Care IT                                       | 584                      | 97                    | 97                            | (0)                     | 584                          | 0  |
| <b>Recurrent Business - Total</b>                     | <b>80,511</b>            | <b>13,001</b>         | <b>13,163</b>                 | <b>(162)</b>            | <b>80,584</b>                | <b>(73)</b>                              |
| <b>GP Forward View</b>                                |                          |                       |                               |                         |                              |  |
| Improving Access to Primary Care - Extended Hours     | 2,709                    | 452                   | 427                           | 25                      | 2,709                        | 0  |
| GP Transformation - QPS                               | 1,147                    | 50                    | 50                            | (0)                     | 1,147                        | 0  |
| <b>GP Forward View Total</b>                          | <b>3,857</b>             | <b>501</b>            | <b>477</b>                    | <b>25</b>               | <b>3,857</b>                 | <b>0</b>                                 |
| <b>Non Recurrent Funding</b>                          |                          |                       |                               |                         |                              |  |
| GP Projects   | 1,748                    | 291                   | 292                           | (1)                     | 1,748                        | 0  |
| <b>Non Recurrent Funding - Total</b>                  | <b>1,748</b>             | <b>291</b>            | <b>292</b>                    | <b>(1)</b>              | <b>1,748</b>                 | <b>0</b>                                 |
| <b>Primary Care Total excluding 1% surplus</b>        | <b>86,115</b>            | <b>13,794</b>         | <b>13,932</b>                 | <b>(138)</b>            | <b>86,188</b>                | <b>(73)</b>                              |
| Planned Delegated Primary care 1% Surplus requirement | 730                      | 122                   | 0                             | 122                     | 0                            | 730                                      |
| <b>Primary Care Total</b>                             | <b>86,845</b>            | <b>13,915</b>         | <b>13,932</b>                 | <b>(17)</b>             | <b>86,188</b>                | <b>657</b>                               |

|                      |        |        |        |    |        |   |
|----------------------|--------|--------|--------|----|--------|---|
| Medicines Management | 91,967 | 15,120 | 15,110 | 10 | 91,967 | 0 |
|----------------------|--------|--------|--------|----|--------|---|

Quality services, better health



## 3 Finance Position at Month 2

### Non Delegated Primary Care Performance & Risks

**Out of Hours** - The contract is showing a year to date overspend against budget, but is forecasting a breakeven position. The year to date overspend is a result of a mismatch of the phasing of the budget across the year with the profile of expenditure forecast across the year, due to a change in service delivery model expected in Q2 of 19/20. The budget will be rephased in month 3 to remove this mismatch.

**Transformation Fund** - The annual budget for the Care Navigators is £1,751k. The budget is showing an overspend at month 2, which is due to ESPN invoices relating to 18/19 for which no year end accrual was made. The forecast is currently showing a breakeven position against plan as it is likely that potential under performance on the contracts in year will offset this overspend.



## 4 Delegated Primary Care Month 2 19/20

| West Hampshire CCG Budgets               | Annual Plan<br>£,000's | Year to<br>Date<br>Budget<br>£,000's | Year to Date<br>Actual<br>£,000's | Year to date<br>Variance<br>£,000's | Year End<br>Variance<br>£,000's |
|--|------------------------|--------------------------------------|-----------------------------------|-------------------------------------|---------------------------------|
| GMS Contract                             | 39,174                 | 6,529                                | 6,527                             | 2                                   | 0                               |
| PMS Contract                             | 10,086                 | 1,681                                | 1,681                             | (0)                                 | 0                               |
| Quality and Outcomes Framework           | 7,378                  | 1,230                                | 1,248                             | (19)                                | 0                               |
| DES                                      | 1,175                  | 196                                  | 163                               | 32                                  | 89                              |
| Locum Reimbursement - Maternity/Sickness | 463                    | 77                                   | 39                                | 38                                  | 0                               |
| Seniority                                | 556                    | 93                                   | 93                                | 0                                   | 0                               |
| Retained GPs                             | 208                    | 35                                   | 56                                | (21)                                | 0                               |
| Dispensing/Prescribing                   | 2,327                  | 388                                  | 385                               | 3                                   | 0                               |
| PCO Other                                | 755                    | 126                                  | 127                               | (1)                                 | 0                               |
| Premises                                 | 5,854                  | 976                                  | 978                               | (2)                                 | 0                               |
| Business Rates                           | 896                    | 149                                  | 176                               | (26)                                | 0                               |
| GPIT                                     | 889                    | 148                                  | 139                               | 9                                   | (162)                           |
| Primary Care Network DES                 | 2,499                  | (0)                                  | 3                                 | (3)                                 | 0                               |
| <b>Total Excluding 1% Surplus</b>        | <b>72,260</b>          | <b>11,626</b>                        | <b>11,615</b>                     | <b>12</b>                           | <b>(73)</b>                     |
| 1% Surplus                               | 730                    | 122                                  | 0                                 | 122                                 | 730                             |
| <b>Total West Hampshire CCG</b>          | <b>72,990</b>          | <b>11,748</b>                        | <b>11,615</b>                     | <b>133</b>                          | <b>657</b>                      |

*Quality services, better health*



## 5 Finance Position at Month 2

### Delegated Primary Care Performance & Risks

**DES** - The forecast underspend is a result of the clawback of the underperformance of the 18/19 Minor Surgery DES in 19/20, which is a non-recurrent benefit in year.

**GP IT** - The GP IT contract with the CSU is forecast to overspend by £162k this year. The increase in contract price is currently being queried with the CSU to validate this number. The budget was set at £889k for 19/20, which is a combination of the outturn cost of the SLA in 18/19 (£814k) and an estimate of the cost of ad hoc GP IT 'small items' (£75k) not funded from the GP IT capital budget. The forecast overspend means that there will be no funding available for these 'small items', which puts GP IT at risk this year.

**Premises** - The premises budget is both breaking even against plan at month 2 and forecast to break even at year end. However, it is recognised that the large number of outstanding rent reviews and the unknown outcome of these reviews presents a risk to the budget of overspending against plan.

**Primary Care Network Contract DES** - Network payments will commence in July 2019 and the budget has been phased to reflect this.



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